

Exhibit A

Bondholder Letter

October 6, 2021

«Name1»

«Name2»

«Address1»

«City», «State» «Zip»

RE: **Trust No. 6126** – First Mortgage Bonds (the “Bonds”) in the original principal amount of \$6,375,000.00 (the “Debt”) issued by University City Church (the “Church”) (Holders of the above-referenced bonds are hereinafter referred to as “Bondholders”)

Whom it concerns:

Herring Bank (“Herring”) acts as Trustee in regard to the bond issue referenced above. We are reporting to you on the status of this issue and requesting your vote on an important matter.

Previous Events. As Herring previously advised you, while Herring was pursuing foreclosure efforts against the property securing the Debt (the “Property”), the Church filed a petition for Chapter 11 bankruptcy on March 27, 2021, in the United States Bankruptcy Court for the Western District of North Carolina, Case No. 21-30161 (the “Bankruptcy Court” or “Court”). As a result of the bankruptcy filing and the automatic stay resulting therefrom, Herring was required to cease all attempts to collect the Debt including any attempts to foreclose on the Property. Herring’s local counsel filed a proof of claim on June 7, 2021, with the Court regarding the Bonds.

Current Events. As the bankruptcy proceeding has progressed, a party has approached the Church with an offer to purchase the Property. Although the Property has damage that will require significant repair, this potential purchaser (the “Purchaser”) has made a cash offer to purchase the Property.

The Purchaser’s offer provided a cash purchase price of \$5,500,000.00. The Purchaser’s offer also included a sixty (60) day period for inspection of the Property and an additional sixty (60) day period to close on the purchase. Further, other standard contract terms would be included in a purchase contract with the Purchaser. The Church has requested that Herring poll the Bondholders for their approval of the Purchaser’s offer and to accept the proceeds from the sale to the Purchaser as full and final payment of the Debt. The outstanding balance of the Debt is \$6,479,923.56, which is significantly more than the amount of the Purchaser’s offer. Accordingly, the Bondholders would likely receive 84.87% (rounded down to two decimal places) of the

proceeds after the payment of attorney's fees and other costs and expenses incurred in collections and related to the sale.

If the Bondholders do not approve the proposal discussed in this letter, Herring will continue to pursue the claim made in the bankruptcy proceeding, which will require additional expenditure of funds, likely further reducing amounts available to pay the Bondholders. Additionally, Herring's ability to pursue collection of the Debt would continue to be constrained by the rules of the Bankruptcy Court and the Bankruptcy Code.

Proposal. Following is an explanation of the effect of voting to "Approve" versus voting to "Disapprove":

Approve: A VOTE TO "APPROVE" IS A VOTE TO ALLOW HERRING TO ACCEPT THE BONDHOLDER'S PRO-RATA PORTION OF THE \$5,500,000.00 SALES PROCEEDS (AFTER OFFSET FOR TRUSTEES FEES, COLLECTION COSTS, ATTORNEY'S FEES, SALE EXPENSES, ETC.) IN FULL AND FINAL PAYMENT OF THE DEBT OWED TO THE BONDHOLDERS.

Disapprove: A VOTE TO "DISAPPROVE" IS A VOTE TO PROHIBIT HERRING FROM ACCEPTING THE REDUCED PAYMENT AND AUTHORIZING HERRING TO MOVE FORWARD WITH THE CLAIM MADE IN THE BANKRUPTCY PROCEEDING IF HERRING BELIEVES IT TO BE IN THE BEST INTEREST OF THE BONDHOLDERS.

Requirements for Approval. Under the terms of the Trust Indenture, this proposal would not be approved without approval of 100% of the Bondholders. If an amount less than 100% vote to APPROVE, the Church may elect to pay the Bondholders that DISAPPROVE the full amount owed to those Bondholders, subject to approval of the Bankruptcy Court. The Bondholders that APPROVE would receive the reduced amount. The Church is not obligated to do so, but may elect to do so if the amount of Bondholders that DISAPPROVE represent an amount it can afford and is approved by the Bankruptcy Court.

Factors to Consider. You should carefully evaluate your decision to APPROVE or DISAPPROVE. While there are many factors to consider, below are some factors for your consideration:

- The Property has damage that will require significant repairs. The Purchaser is aware of the damage and made its offer after considering the cost of repairs.
- The damage to the Property will likely worsen the longer it remains unrepaired. If the Bondholders vote to DISAPPROVE the Proposal, the Property will remain subject to the jurisdiction of the Court and Herring will have few options to attempt to protect the Property from further damage.

- Should the Bondholders vote to DISAPPROVE the Proposal, the bankruptcy proceeding will continue and Herring will likely incur additional expenses pursuing the claim of the Bondholders, further reducing amounts available to pay the Bondholders. There is no guarantee that the full amount owed on the Debt will be recovered in the bankruptcy proceeding. In fact, creditors often receive a small percentage of the amount owed to them in a bankruptcy proceeding, or, as is the case with the Debt and Herring, a creditor may request the Court permit the creditor to foreclose on the Property.
- If Herring were to get approval from the Court to foreclose on the Property, there is no indication for what price it may sell, and if Herring were to purchase the Property at such sale, there is no indication for how long it will take to sell the Property, or for what price it will eventually sell.
- As of the date of this letter, the outstanding balance of the Debt is \$6,479,923.56, plus attorney's fees and other collection costs and expenses previously advanced.

You have until thirty (30) days after the date of this letter to respond by marking the ballot, signing the ballot, and returning it to Herring.

If you do not mark, sign, and return the ballot to Herring within thirty (30) days of the date of this letter, then you will be deemed to have voted to APPROVE the reduced payoff.

Herring believes approval of the reduced payoff to be in the best interest of the Bondholders and encourages you to give it serious consideration when deciding how to vote. If you have any questions, please do not hesitate to contact Investor Services at 1-800-753-1439 or in writing to Herring's address on this letter.

Enclosures: (1) Ballot
(2) Return envelope

APPROVAL OR DISAPPROVAL NEEDED

«Name1»

«Name2»

EACH BOND IS A VOTE

*****CIRCLE ONE*****		Trust No.	Bond No.	Bond Value
«Vote1»	«Vote2»	«Issue1»	«Bond_Number1»	
«Amount1»				
«Vote3»	«Vote4»	«Issue2»	«Bond_Number2»	
«Amount2»				
«Vote5»	«Vote6»	«Issue3»	«Bond_Number3»	
«Amount3»				
«Vote7»	«Vote8»	«Issue4»	«Bond_Number4»	
«Amount4»				
«Vote9»	«Vote10»	«Issue5»	«Bond_Number5»	
«Amount5»				
«Vote11»	«Vote12»	«Issue51»	«Bond_Number51»	
«Amount51»				
«Vote13»	«Vote14»	«Issue6»	«Bond_Number6»	
«Amount6»				
«Vote15»	«Vote16»	«Issue61»	«Bond_Number61»	
«Amount61»				
«Vote17»	«Vote18»	«Issue7»	«Bond_Number7»	
«Amount7»				

Date: _____

OWNER (Joint Owners if applicable):

Signature of Owner

Signature of Joint Owner (if applicable)

Title (if corporation or partnership): _____

Address: _____

MAIL, EMAIL, OR FAX THIS BALLOT TO:

Herring Bank
Attn: Martin McClish
P.O. Box 2585
Amarillo, TX 79105

Email-mmcclish@herringbank.com
Fax-806 378-6651